

NA Turkey/Springdale, AR/Grower Contract/Brood & Grow (287846v9)

FIXED TERM TURKEY FEEDING AND MANAGEMENT AGREEMENT
SPRINGDALE, ARKANSAS

THIS AGREEMENT is entered into as of the _____ day of _____, 200_____, between CARGILL TURKEY PRODUCTION, LLC, a Delaware limited liability company, with offices and principal place of business at 151 North Main, Wichita, Kansas 67202 ("CTP"), and of _____, Grower #1, and _____ of _____, Grower #2 (collectively "Grower").

Grower and CTP desire to enter into an agreement whereby Grower as an independent contractor will raise and care for CTP's turkeys according to the terms and conditions in this Agreement.

Grower and CTP agree as follows:

1. **PLACEMENT OF FLOCKS.** During the term of this Agreement, CTP shall deliver or cause to be delivered to Grower the number of flocks set forth in Section 2. CTP shall deliver poults of either big tom or regular tom flocks, hen flocks, or a combination of any such hen and tom flocks, as determined by CTP, in its discretion. For purposes of this Agreement, Grower has poultry facilities consisting of _____ square feet, located at _____. CTP shall notify Grower in advance as to the date of delivery and the number of birds to be placed in each flock.

2. **DURATION.** Unless terminated earlier in accordance with the provisions of this Agreement, the term of this Agreement shall be for _____ consecutive flocks, commencing on the date the first flock is placed and terminating on the date the _____ flock is removed from the Grower's farm. Notwithstanding anything to the contrary, in no event shall the term of this Agreement extend beyond _____ months from the date the first flock is placed.

3. **COMPENSATION.** Unless otherwise provided herein, for all flocks placed on or after October 1, 2005, CTP shall pay Grower for the services performed for each flock according to the terms set forth in the attached Compensation Schedule. For all flocks placed prior to this date, CTP shall pay Grower per the terms of the compensation schedule attached to the previous contract between CTP and Grower.

4. **BINDING EFFECT OF COMPENSATION SCHEDULE.** Grower and CTP agree that the attached Compensation Schedule is incorporated into and forms a part of this Agreement.

5. **CARE FOR TURKEYS.** Grower agrees to feed and care for CTP's turkeys in accordance with good husbandry practices, until CTP determines the turkeys are ready for processing. Grower, through the optimization and management of the equipment, must properly feed, water, and ventilate the turkeys. Grower agrees to follow good husbandry practice in culling the turkeys. Such culls will be recorded by Grower on mortality records.

6. **GROWER INPUTS.** Grower agrees to provide the following items at his/her own expense: (a) buildings, equipment and preventative maintenance necessary meet or exceed CTP's minimum "Housing Standards", (b) land, water and electrical power in a safe manner that meet or exceed local, state, and/or federal requirements and, (c) all labor necessary to properly feed, raise, and care for the turkeys. Grower must provide all fuel for brooding and growing of the turkeys. Grower shall make additional investments in equipment and facilities during the term

of this Agreement, as necessary to properly care for the turkeys, and to maximize their health and minimize disease and mortality.

7. **LITTER.** Grower will provide and be responsible for the cost of all litter used in the grow-out house(s). CTP will provide the litter used for the brooding of the turkeys. Grower will be required to remove and replace litter; if and when CTP, in its discretion, deems it necessary to protect the health of any subsequent flocks. Grower agrees to wash and disinfect all buildings and equipment according to CTP's clean out program, using cleaning supplies furnished by CTP. Grower agrees to follow the manufacturer's directions in applying any disinfectants, including, without limitation, recommended dilution levels, to properly and safely apply such chemicals in light of the physical and health hazards of these chemicals, as noted on the MSDS sheets supplied by CTP, and to take all necessary protective measures and comply with emergency measures if exposed. Grower acknowledges that, effective January 1, 2004, it must either: (a) have a valid Nutrient Management Plan ("NMP") for Grower's property that has been approved by the proper authorities and which addresses management of all used litter generated on the property, or (b) have applied to the proper authorities for a NMP prior to January 1, 2004 and used its best efforts to obtain the NMP by January 1, 2004. The NMP must comply with all applicable federal, state, and local laws and regulations. If there are no such laws or regulations, the NMP must comply with the best management and agronomic practices that are generally recognized in your region for nutrient management.

8. **TURKEY PRODUCTION MANAGEMENT GUIDE.** Grower agrees to produce turkeys which meet or exceed CTP's specifications. These specifications include proper weight, age, quality, and health status which are needed to produce wholesome and marketable products as required by CTP's processing plant. To assist Grower in producing turkeys which meet CTP's specifications, CTP will provide Grower with a copy of CTP's Turkey Production Management Guide ("Guide"). This Guide, which may be modified by CTP from time to time, and contains information on management and production techniques, production styles, and practices that CTP has found to be most efficient and cost effective, and while the Guide is not a guarantee of successful results or profits, Grower is encouraged to consult the Guide on a regular basis and incorporate its suggestions and recommendations into his/her operations. It is understood that Grower may employ various practices and methods in achieving CTP's specifications, provided, however, that CTP has the right to intervene in these practices if, in CTP's judgment, the health and well-being of its turkeys are at risk. Grower will be primarily evaluated according to his/her ability to produce turkeys that meet or exceed CTP's specifications at a competitive cost in relation to other Growers who produce turkeys for CTP at Springdale, Arkansas.

9. **INSPECTION/RECORDS.** Grower will allow CTP and/or its representatives to inspect turkeys, the facilities, the equipment used, and/or the records of the Grower pertaining thereto, at any reasonable time. Grower agrees to accurately maintain records which may be required by CTP as well as any applicable government authority. CTP may collect as many turkeys as reasonably necessary for the purpose of testing tissues for clearance with respect to adulteration of drug, chemical or residue levels in excess tolerance or action levels permitted by federal or state governmental agencies and Grower shall not receive compensation for these turkeys.

10. **CTP'S INPUTS.** CTP, at its own expense, will furnish or cause Grower to be furnished with all turkeys, feed, poultry medication, and vaccines necessary to properly feed, raise, and care for the turkeys. CTP shall have the sole right and responsibility to select the

breed and/or type of bird, the number of birds in each flock, and the formulation of feed to be delivered and used on Grower's farm.

11. **EXCLUSIVE USE.** Grower shall use only those feed, medication and supplies furnished by CTP, to care for CTP's turkeys. Grower shall not administer any drugs, pesticides, or chemicals to, on, or near CTP's turkeys or Grower's facilities without first receiving prior written approval from CTP. Grower promises that the feed, medication, and other material furnished by CTP will be used by Grower solely to feed, raise, and care for CTP's turkeys and agrees to accept delivery of these items in quantities convenient and practical for the proper care of the turkeys.

12. **TITLE TO TURKEYS.** Grower agrees that title to the turkeys, feed and other items furnished or supplied by CTP under this Agreement shall at all times remain vested in CTP, and the disposition of the turkeys shall be by CTP as CTP, in its discretion, shall decide. Grower shall have the possession of the turkeys, feed, and items only in the capacity of an independent contractor, and in this capacity, agrees that CTP may post on Grower's premises, at a location of its choice, notice of its ownership of the turkeys, feed and items. CTP's election not to post notice of its ownership in this matter shall not relieve Grower of the obligation to advise third parties of CTP's ownership as provided in this Agreement.

13. **COMPLIANCE WITH LAWS.** Grower agrees to comply with all applicable state, local and federal laws and requirements, including but not limited to health and environmental regulations. All fans used by the Grower shall be covered with a safety guard, and Grower's facilities shall otherwise be constructed, operated and maintained in accordance with all state and/or federal OSHA requirements. In the event Grower fails to comply with any provision of the applicable laws or requirements, CTP shall have the right, but not the duty, to (a) enter upon the Grower's premises and perform such acts as are necessary to comply with the laws, charging any expense incurred in doing so to Grower, and/or (b) exercise any remedies provided in Section 19, including termination of this Agreement.

14. **INDEMNITY.** Grower agrees to indemnify and hold CTP harmless from any and all expenses or liability for injury or damage to persons or property arising out of Grower's operations or from Grower's or Grower's agents' or employees' acts or omissions pursuant to this Agreement. Grower further agrees to indemnify CTP against material loss from mysterious disappearance of any turkeys, feed, medication or other supplies furnished by CTP to Grower. CTP agrees to indemnify and hold Grower harmless from any and all expenses and liability for injury or damages to persons or property to the extent they are caused by the negligent acts or omissions of CTP or its employees at Grower's facility.

15. **GROWER'S EMPLOYEES.** Grower shall be and will remain fully responsible for his/her own acts and for the acts of personnel hired by him/her and shall be fully responsible for and liable for all compensation due any personnel. All such personnel shall be employees or independent contractors of Grower and shall not be the employees or independent contractors of CTP.

16. **NOTICE OF DISEASE.** Grower agrees to immediately notify CTP's service representative or such person as CTP may from time to time designate of any symptoms of any diseases or other abnormal condition that could or is then affecting the health or well-being of the turkeys and to exercise his/her best efforts, subject however to the prior approval of CTP as is

required by this Agreement, to take effective measures to control same, to prevent further occurrences, and to protect the turkeys.

17. ACCESS. Grower agrees to provide CTP with access to all of Grower's poultry facilities. Grower, at his/her own expense will provide and maintain roads, utility lines, water lines, and fences, maintaining all such areas to allow easy access to facilities by CTP's service vehicles, feed trucks, poult delivery vehicles, live haul vehicles, and fork lifts. CTP will be liable for all damages caused by the negligent acts of CTP or CTP's representatives while on Grower's premises, provided Grower informs CTP of the damages within forty-eight (48) hours of its occurrence and Grower permits CTP to inspect the damage before repair. In the event that it becomes necessary to employ wreckers or tow trucks to aid CTP's trucks or equipment while entering, loading, delivery, and/or leaving Grower's facility due to Grower's failure to provide access as described above, the cost of such actions shall be for the Grower's account.

18. ISOLATION OF POULTRY. Grower agrees that no other poultry of any kind whatsoever, whether it be for commercial or personal purposes, will be kept on Grower's premises during the term of this Agreement without the prior written consent of CTP. Grower further agrees that he/she will allow no persons other than Grower, Growers employees, or CTP's representatives to enter the area where CTP's turkeys are located. It is understood that the intent of this requirement is to ensure complete isolation from direct or indirect contact with other poultry in order to minimize chances of exposure of CTP's turkeys to disease.

19. DEFAULT. If any one or more of the following events ("Events of Default") shall occur, CTP shall have the right and remedies set forth in this Section:

- (a) Grower fails to comply with any of the terms, conditions, or requirements of this Agreement;
- (b) Grower's housing does not meet CTP's minimum Housing Standards as established by CTP from time to time;
- (c) Foreclosure proceedings, repossession proceedings, or discontinuance of utility service are instituted or threatened against Grower and/or Grower's facility;
- (d) Grower becomes insolvent, goes into or appears to be imminently going into receivership or bankruptcy, or otherwise encounters financial difficulties which cause CTP, in its sole discretion, to doubt whether Grower can perform his obligations under this Agreement;
- (e) Grower has, in the judgment of CTP, abandoned the turkeys, neglected to provide reasonable care, feeding or treatment to the turkeys, has allowed the turkeys to otherwise become endangered for any reason, or CTP has reasonable insecurity that any of the above may occur if imminent action is not taken;
- (f) Grower encumbers, disposes of, or attempts to encumber or dispose of turkeys, feed, or other supplies furnished by CTP, or there is a material mysterious disappearance of turkeys, feed or supplies from Grower's facility.

If any Event of Default occurs, CTP shall provide to Grower written notice specifying the nature of default. Grower shall have twenty (20) days from the date of such notice to cure such

Event of Default. If an Event of Default occurs while there are no turkeys on the Grower's premises, CTP shall have the right to withhold placement of Grower's next flock until such Event of Default is cured. If the Event of Default is not cured within such period of time, CTP may immediately terminate this Agreement by giving written notice to Grower. Upon such termination, CTP shall have the right to either a) remove all turkeys located at Grower's site (Grower shall allow CTP reasonable access to Grower's facility for purposes of this section), or b) CTP may make mutually agreed upon arrangements with Grower to keep the turkeys at Grower's facility until ready for slaughter. The payment due Grower upon such termination shall NOT be calculated in accordance with the Compensation Schedule, but instead, shall be calculated as follows:

DEFAULT requiring early removal of birds from Grower's facility and calculation of prorated compensation paid to Grower:

An average income per head per day for the Grower will be determined based upon averaging the Grower's income on two previous flocks marketed of the same type (regular hen, heavy hen, regular tom, heavy tom). In the event that there are not two previous flocks with which to compare, the average income shall be calculated basis the average income per head for all flocks slaughtered the week prior to the calculation. The average income per head per day will then be multiplied by the total number of days the flock was in the Grower's facility less any payment advances and company expenses incurred, or which will be incurred, in relocating the flock to another farm to finish the growing period.

Average total income (2 previous flocks) / Avg. total head marketed = Avg. income per head marketed. Avg. income per head marketed / Avg. market age = Income per head per day. Avg. income per head per day X number of days (default flock) housed in Grower's facility minus advances and flock relocation expense = Net payment due Grower.

CTP's exercise of any of the above-enumerated rights shall be without prejudice to any other rights and remedies available to CTP.

20. EMERGENCY CARE OF TURKEYS. Notwithstanding any other provision herein, and without limiting the generality of CTP's rights under paragraph 19 and paragraph 21 hereof, if at any time CTP determines that emergency action is required to care for the turkeys, CTP shall have the right to (a) enter onto the premises of the Grower, without legal process, to provide the necessary care for and handling of the turkeys, (b) remove the turkeys from Grower's premises, (c) make necessary payments or expenditures on behalf of the Grower to ensure that the turkeys receive proper care, and/or (d) immediately terminate this Agreement by giving Grower written notice.

21. TERMINATION FOR SUBSTANDARD PERFORMANCE. Without limiting the rights of CTP under Paragraph 19 hereof, and so long as Grower is otherwise in compliance with this Agreement, in the event that Grower's Prime Cost Per Pound (as defined in Section 1.J of the attached Compensation Schedule) as compared to the Average Prime Cost Per Pound of other growers for CTP who also grow for the Springdale, Arkansas plant, is in the bottom 10% over any three consecutive flock period, CTP shall initiate the following procedure:

(a) CTP shall inform Grower in writing that his/her performance is substandard and that he/she is being placed on probationary status.

(b) CTP shall establish a probationary period for Grower, with a duration of three (3) consecutive flocks, or for such lesser time as remains in the term of this agreement, within which period Grower must improve his/her performance to a level where Grower's Prime Cost Per Pound averaged over the probationary flocks is not more than one cent (1¢) above the Average Prime Cost Per Pound of other Growers for the same time period.

(c) If Grower meets the requirements of his/her probation Grower shall be taken off probationary status and this Agreement shall continue to operate in its regular fashion.

(d) If Grower fails to improve his/her performance in accordance with the terms of his/her probation, CTP shall have the right to immediately terminate this Agreement by providing Grower with written notice.

22. **CATCH AND LIVE-HAUL.** When CTP, in its discretion, decides to move the turkeys, it will notify Grower and arrange for pickup. Grower agrees to be present during catching and loading of turkeys to be moved. Grower shall, before pickup of turkeys by CTP, raise or remove all equipment located in the Grow-out houses where the turkeys are located and remove dead turkeys from Grow-out houses immediately prior to pickup. After pickup of the turkeys, CTP shall visit Grower to mutually agree upon the quantity of feed remaining at Grower's facility. If there is a sufficient quantity of feed and hence CTP decides to pick up the feed, CTP shall provide Grower the weight of the feed so calculated. Otherwise, CTP and Grower shall use their reasonable efforts to estimate the quantity of feed remaining. Grower's failure to attend any such weighing or calculation shall be deemed Grower's agreement to the quantity so determined. If Grower objects to such calculation, the parties shall mutually determine a methodology for determining the weight. The weight so determined shall be binding upon the parties hereto.

23. **DEAD BIRD DISPOSAL.** Grower will dispose of dead birds in accordance with (a) applicable legal standards, and (b) CTP's specifications and regulations. In no event shall Grower bury dead birds without CTP's prior written consent.

24. **INDEPENDENT CONTRACTOR.** This Agreement is in no way intended to create a joint venture between Grower and CTP. It is expressly understood and agree that it is the intent of the parties hereto that Grower is an independent contractor, and the Grower, his agents, or his employees shall not be considered agents, employees, or servants of CTP for any purpose whatsoever, and shall not have the authority to and will not purport to bind or to incur debts or other liabilities or obligations of any nature whatsoever in the name of CTP.

25. **FINANCIAL RISK.** Grower recognizes that there are many hazards in the operation of the business contemplated herein and that results in terms of financial success or profits of operation are not guaranteed by CTP. CTP, from time to time, makes available to Grower advice, recommendations, programs, or data so as to aid Grower in the management of his/her turkey operation. Grower acknowledges and agrees that any such advice, recommendation, program, or data made available is NOT a guarantee of financial success or profits.

26. **GOVERNING LAW, SEVERABILITY, VENUE.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of Arkansas applicable to agreements made and to be performed entirely within Arkansas. CTP and Grower hereby irrevocably and unconditionally consent to submit to the exclusive jurisdiction of the Federal Court in Fayetteville, Arkansas for any actions, suits or proceedings arising out of or related to this Agreement. Grower hereby waives any objection to the laying of venue in any action in this venue. If any provision of this Agreement shall be determined to be unlawful or otherwise unenforceable in the State of Arkansas, the other provisions shall be unaffected and shall remain in full force and effect.

27. **GOVERNMENT CONTRACTOR.** CTP is a government contractor. Therefore, this Agreement is subject to the regulations imposed upon contractors and subcontractors pursuant to 41 C.F.R. Chap. 60. Unless this Agreement is exempt by regulations issued by the Secretary of Labor, there is incorporated herein by reference: the equal employment opportunity clause contained in 41 C.F.R., Section 60-1.4; the affirmative action clause contained in 41 C.F.R., Section 60-250.4 relating to the employment of disabled veterans and veterans of the Vietnam Era; and the affirmative action clause contained in 41 C.F.R., Section 60-741.4 relating to the employment of handicapped persons.

28. **ASSIGNMENT.** This Agreement may be assigned by CTP and shall be binding and inure to the benefit of CTP's successors and assigns. Grower shall not assign this Agreement without the prior written consent of CTP, and any attempt to do so without CTP's consent shall be null and void.

29. **NON-WAIVER.** The failure of either party to exercise any of its rights or remedies under this Agreement shall not operate as a waiver of any such right or remedy nor affect the ability of either party to enforce them on later occasions.

30. **FORCE MAJEURE.** In the event either party is prevented from performing its obligations under this Agreement by circumstances beyond its reasonable control, including without limitation, fire, explosion, Acts of God, war, riot, labor strikes, plant closing or like events, the obligations of each party shall be suspended until the condition preventing performance ceases. In the event that circumstances result in the need for CTP to reduce its turkey production, CTP shall have the right to adjust normal placement schedules and bird densities.

31. **HEADINGS.** The Section headings used in this Agreement are for convenience only and shall not be considered a part of this Agreement.

32. **COMPLETE AGREEMENT.** This Agreement, together with the Compensation Schedule, represents the entire agreement of the parties. It supersedes any and all prior agreements, understandings, arrangements and representations of any kind whatsoever, oral or written, between the parties. Grower agrees that he/she is not relying on any representations or statements of CTP not contained in this Agreement. Grower acknowledges that CTP has made no representation or promise to Grower to the effect that CTP will place turkeys with Grower beyond the term of this Agreement. Grower further acknowledges that any purported representation or promise to that effect made in the future will be neither valid nor binding unless made in writing and signed by CTP. Grower represents that he/she has not made any financial commitment (including, but not limited to, taking out loans for the acquisition, construction or improvement of real or personal property) in reliance upon any representation or understanding

NA Turkey/Springdale, AR/Grower Contract/Brood & Grow (287846v9)

that CTP will place turkeys with Grower beyond the term of this Agreement. This Agreement may be amended only in writing signed by both parties, except as provided in this Agreement. GROWER AFFIRMS THAT, BEFORE SIGNING THIS AGREEMENT, HE HAS READ THIS AGREEMENT AND UNDERSTANDS ALL THE CONDITIONS HEREIN AND AGREES TO BE BOUND BY SAME WITHOUT ANY RESERVATIONS WHATSOEVER.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day, month, and year written above.

ATTEST:

CARGILL TURKEY PRODUCTION, LLC

By: _____

Print name: _____

Its: _____

WITNESS:

GROWER #1

Social Security No. _____

WITNESS:

GROWER #2

Social Security No. _____